MEMORANDUM OF UNDERSTANDING

BETWEEN

THE SECRETARY OF STATE FOR DEFENCE

OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND

AND THE

SECRETARY OF DEFENSE ON BEHALF OF THE

DEPARTMENT OF DEFENSE

OF THE UNITED STATES OF AMERICA

CONCERNING

COOPERATION ON THE

FUTURE DEVELOPMENT, INTEROPERABILITY AND SUPPORT

OF THE

CH-47 CHINOOK HELICOPTER

(Short Title CH-47 Chinook MOU)

CERTIFICATION OF AUTHENTICITY

I hereby certify this to be a true copy of the Memorandum of Understanding Between the Secretary of State for Defence of the United Kingdom of Great Britain and Northern Ireland and the Secretary of Defense on Behalf of the Department of Defense of the United States of America Concerning Cooperation on the Future Development, Interoperability and Support of the CH-47 Chinook Helicopter

The Office of the Deputy Assistant Secretary of the Army for Defense Exports and Cooperation, Armaments Cooperation Division, maintains custody of a signed copy of the Memorandum

Laura McMahon

LAURA MCMAHON
DEPUTY, INTERNATIONAL AGREEMENTS

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INTRODUCTION

The Secretary of State for Defence of the United Kingdom of Great Britain and Northern Ireland and the Secretary of Defense on behalf of the Department of Defense of the United States of America, hereinafter referred to as the "Participants"

Recognizing the Agreement Concerning Defence Cooperation Arrangements of May 27, 1993 between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland will apply to this Memorandum of Understanding (MOU),

Recognizing the Memorandum of Understanding between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland Concerning Research and Development Projects dated April 26, 2000,

Recognizing the Terms of Reference for a U S /UK Rotorcraft Working Group between the U S Army Program Executive Officer for Aviation and the United Kingdom Ministry of Defence Capability Manager (Manoeuvre) dated July 26, 2000,

Having a common interest in the interoperability of U S and UK forces,

Recognizing the benefits to be obtained from cooperation on the future development, interoperability and support of the CH-47 Chinook Helicopter (hereinafter known as CH) and associated systems,

Having a mutual interest in harmonizing, wherever practicable, national requirements for upgrades to the aircraft, its sub-systems and weapon systems,

Having an interest in the sharing of Safety of Flight information to mutual airworthiness benefit,

Having a shared interest in achieving maximum interoperability of U S and UK CH units with coalition forces and in achieving common standards and systems for achieving combined arms CH training,

Having a common interest in identifying opportunities for technology sharing so as to contribute to the future development of the CH aircraft and its sub-systems,

Having decided to work closely together in the field of CH cooperation,

Have reached the following understandings

SECTION I

DEFINITIONS

The Participants have jointly decided upon the following definitions for provisions used in this MOU

Classified Information	Official Information that requires protection in the interests of national security and is so designated by the application of a security classification marking This Information may be in oral, visual, magnetic, documentary form or in the form of equipment technology
Contract	Any mutually binding legal relationship under national laws that obligates a Contractor to furnish supplies or services and obligates one or both of the Participants to pay for them
Contracting	The obtaining of supplies or services by Contract from sources outside the governmental organizations of the Participants Contracting includes a description (but not determination) of supplies and services required, solicitation and selection of sources, preparation and award of Contracts, and all phases of Contract administration
Contracting Agency	The entity within the governmental organization of a Participant, which has authority to enter into, administer, or terminate Contracts
Contracting Officer	A person representing a Contracting Agency of a Participant who has the authority to enter into, administer, and/or terminate Contracts
Contractor	Any entity awarded a Contract by a Participant's Contracting Agency
Contractor Support Personnel	Persons specifically identified as providing administrative, managerial, scientific, or technical support services to a Participant under a support Contract

Controlled Unclassified Information	Unclassified Information to which access or distribution limitations have been applied in accordance with applicable national laws or regulations It could include Information that has been declassified but remains controlled
Cooperative Project Personnel (CPP)	Military members or civilian employees of one Participant assigned to the other Participant who perform managerial, engineering, technical, administrative Contracting, logistics, financial, planning, or other functions in the furtherance of this MOU
Defense Purposes	Manufacture or other use in any part of the world by or for the armed forces of either Participant
Designated Security Authority (DSA)	The security office approved by national authorities to be responsible for the security aspects of this MOU
Engineering Change Proposal (ECP)	A proposal to the responsible authority recommending that a change to an original item of equipment be considered, and that design or engineering change be incorporated into the article to modify, add to, delete, or supersede the original parts It typically describes how the proposed change will be implemented, the impact to existing systems, highlights the affected configuration documentation, and provides estimated schedules and associated costs
Financial Costs	Project costs met with monetary contributions
Host Participant	The Participant whose nation serves as the location of the CPP
Information	Knowledge that can be communicated by any means, regardless of form or type, including, but no limited to, that of a scientific, technical, business, or financial nature, and also including photographs, reports, manuals, threat data, experimental data, test data, computer software, designs, specifications, processes, techniques, inventions drawings, technical writings, sound recordings, pictorial representations and other graphical presentations, whether in magnetic tape, computer memory, or any other form and whether or not subject to Intellectual Property rights

Intellectual Property	In accordance with the World Trade Organization Agreement on Trade-related Aspects of Intellectual Property Rights of April 15, 1994, all copyright and related rights, all rights in relation to inventions (including Patent rights), all rights in registered and unregistered trademarks (including service marks), registered and unregistered designs, undisclosed Information (including trade secrets and know-how), layout designs of integrated circuits, and geographical indicators, and any other rights resulting from creative activity in the industrial, scientific, literary, and artistic fields
Non-financial Costs	Project costs met with non-monetary contributions
Parent Participant	The Participant that sends its CPP to a location in the nation of the other Participant
Participant	A signatory to this MOU represented by its military and civilian personnel Contractors and Contractor Support Personnel will not be representatives of a Participant under this MOU
Patent	Grant by any government or a regional office acting for more than one government of the right to exclude others from making, using, importing, selling, or offering to sell an invention The term refers to any and all patents, but not limited to, patents of implementation, improvement, or addition, petty patents, utility models, appearance design patents, registered designs, and inventor certificates or like statutory protection as well as divisions, reissues, continuations, renewals, and extensions of any of these
Project	Collaborative or cooperative Participant activities on the CH under the provisions of a Project Arrangement of this MOU
Project Arrangement (PA)	An implementing arrangement under this MOU that details the terms of collaboration on a specific Project
Project Equipment	Any material, equipment, end item, subsystem, component, Special Tooling, or test equipment jointly acquired, generated or provided for use in a Project

Project Background Information	Project Information not generated in the performance of a Project
Project Foreground Information	Project Information generated in the performance of a Project
Project Information	Any Information provided to, generated in, or used in a Project
Project Invention	Any invention in any field of technology provide it is new that involves an inventive step, is capable of industrial application and is formulated or made (conceived or "first actually reduced to practice") in the course of work performed under a Project The term "first actually reduced to practice" means the first demonstration, sufficient to establish to one skilled in the art to which the invention pertains, of the operability of an invention for its intended purpose and in the intended environment
Project Purposes	Any use by or for a Participant relating to the Project, whether carried out jointly or separately by the Participants
Prospective Contractor	Any entity that seeks to enter into a Contract awarded by a Participant's Contracting Agency and that, in the case of a solicitation involving the release of export-controlled Information, is eligible to receive such Information
Special Tooling	Jigs, dies, fixtures, molds patterns, tapes, gauges, other equipment and manufacturing aids, and all components of these items that are of such a specialized nature that without substantial modification or alteration their use is limited to the development or production of particular supplies or parts thereof of to the performance of particular services and excluding material, special test equipment, facilities (except foundations and similar improvements necessary for installing Special Tooling) general or special machine tools or similar capital items
Third Party	A government other than the Governments of the Participants and any person or other entity whose government is not the Government of a Participant

Virtual Office	A U S -UK arrangement that enables a team of people to be spread over a variety of different physical locations, while still being able to work together as a team through the use of tools including, but not limited to, telephones, computers, lap-tops and e-mail

SECTION II

OBJECTIVES

2 1 The Participants desire to establish a framework within this MOU that will enable timely and effective CH cooperation The specific level of CH cooperation as a result of this MOU will be determined through discussions conducted by the Participants under this MOU, consistent with their respective national interests The purpose of this MOU is to define and establish the general principles that will apply to the initiation, conduct, and management of Projects established by separate PAs and Working Groups (WG) between representatives of the Participants These Projects will be entered into pursuant to this MOU and will incorporate by reference the provisions of this MOU

2 2 The objectives of this MOU are

2 2 1 to establish practical working arrangements for cooperation and information exchange for the purposes of research, development, testing, evaluation, or joint production (including follow-on support), on the CH,

2 2 2 to facilitate the development, wherever practicable, of mutually beneficial logistic support concepts for the CH with a view to reducing costs and maximizing common configuration control,

2 2 3 to maximize the opportunity to improve CH airworthiness,

2 2 4 to maximize opportunities for increased interoperability between U S and UK CH programs,

2 2 5 to seek a means of achieving the harmonization of national requirements for upgrades to the CH aircraft and its sub-systems and weapon systems through regular exchanges of Information, and

2 2 6 to provide a framework for technology sharing in areas relevant to the CH development

2 3 The Participants may establish PAs and WGs to this MOU covering specific activities to meet the objectives under paragraph 2 2 above

2 3 1 Each PA will include specific provisions consistent with this MOU, concerning the objectives, scope of work, sharing of tasks, management structure, financial arrangements, contractual

arrangements, configuration management, security classification and other provisions as required in accordance with the model PA detailed in Annex A In the event of a conflict between the provisions of this MOU and any PA, this MOU will govern

2 3 2 Each WG will operate under the specific provisions consistent with this MOU concerning objectives, scope of work, disclose of use of project information, security classification In the event of a conflict of between the provisions of this MOU and any TOR, this MOU will govern

SECTION III

SCOPE OF WORK

3 1 The Participants have determined that a need exists to cooperate regarding their respective national CH programs through the establishment of PAs and WGs for cooperation and the exchange of Information on the CH Potential areas for collaboration and cooperation (including information exchange) include but are not limited to

3 1 1 sustainment, support and engineering development studies,

3 1 2 safety of flight information,

3 1 3 trials and testing,

3 1 4 logistical and maintenance support concepts and processes,

3 1 5 training interoperability,

3 1 6 harmonization of upgrade research and development efforts from conceptual studies through technology demonstrators to system prototypes including cooperation on full development or system development and demonstration,

3 1 7 assignment of one or more CPP, and

3 1 8 configuration Management through the establishment of a Configuration Management Panel as described in Section V of this MOU

3 2 Potential areas of cooperation will be identified in a Cooperative Document (CD) prepared by the Cooperative Project Manager's Office (CPMO) and reviewed and approved by the Steering Committee (SC) The CD will

3 2 1 serve as the primary CPMO reporting document to the SC for Project oversight,

3 2 2 assist the SC in identifying and planning the areas of cooperation from which WG tasks and any PAs may evolve, and

3 2 3 identify the work to be carried out or planned by the Participants through WGs or PAs in each proposed area of cooperation

3 3 To assist in identifying areas of potential cooperation, or when an area of mutual interest has been identified by the Cooperative Project Managers (CPM) or SC, the CPMO may create a WG to explore the identified areas of potential interest or the feasibility of a PA under this MOU in the identified area of interest The results and conclusions of the WG's feasibility study will be reported, through the CPMO, to the SC The SC will make recommendations to the Participants regarding the establishment of PAs under this MOU

3 4 It is envisioned that work will be performed under this MOU pursuant to individual PAs WGs will be created as necessary to examine areas of mutual interest and/or to perform tasks under specific PAs

3 5 Information may be exchanged to attempt to harmonize the Participants' requirements to assist in formulating, developing, and negotiating potential PAs under this MOU Information exchanged shall take place on an equitable basis, but need not necessarily coincide in time, technical field, or form of the Information

3 6 This MOU does not preclude the Participants entering into any other arrangements in the areas of CH research and development

3 7 Unique national requirements of a Participant are outside the scope of this MOU

SECTION IV

MANAGEMENT (ORGANIZATION AND RESPONSIBILITY)

4 1 The activities associated with this MOU will be directed and administered on behalf of the Participants by two levels of management the SC and the CPMs through the CPMO, as described in the following paragraphs The SC will have overall authority over the CPMO, in accordance with this MOU The CPMs, through the CPMO, will have primary responsibility for effective implementation, efficient management, and direction of activities in accordance with this MOU For each PA, Project Officers (POs) will be appointed by the CPMs

4 2 Steering Committee

4 2 1 The U S Program Executive Officer-Aviation (PEO Aviation) and UK Director General Logistics (Land) (DG Log (Land)), or their successors in the event of reorganization, will co-chair the SC The SC will take a top-level view of bilateral cooperation from an overall perspective and provide broad guidance, direction, oversight and high-level support to the CPMs in matters such as prioritization and timing of future cooperation and opportunities related to the CH The CPMO, which is concerned with assessing the areas of cooperation that are desirable and possible, will respond to this guidance and promote initiatives to the SC

4 2 2 The SC will also

4 2 2 1 employ its best efforts to resolve, in consultation with the export control authorities of the Participants concerned, any export control issues raised by the CPMO in accordance with subparagraph 4 3 1 2 or raised by a Participant's SC representative, in accordance with paragraph 4 4 ,

4 2 2 2 focus on identification of potential areas for future co-operative activity, strategies to generate increased co-operative activities, as well as desired benefits from co-operation in new areas,

4 2 2 3 review and approve CDs brought forward by the CPMO per subparagraph 3 2 and 4 3 1 4 ,

4 2 2 4 approve CPM requests for CPP assignments to the CPMO

4 2 2 5 approve a Financial Management Procedures Document (FMPD) for the MOU in accordance with paragraph 6 11 regarding the Participants' joint funding responsibilities for the operation of the CPMO and the Secretariat described in subparagraphs 4 3 1 and 4 3 2, should joint funding of the CPMO and Secretariat be decided upon by the Participants,

4 2 2 6 approve individual FMPDs developed under PAs to this MOU, and

4 2 2 7 resolve any issues brought forward by the CPMs

4 3 Cooperative Project Managers and the CPM Office

The CPMs will consist of the U S Cargo Helicopter Project Manager (CH-PM) and the UK Chinook Integrated Project Team Leader (CHIPTL), or their successors in the event of reorganization The CPMs will jointly manage the CPMO and propose CPP assignments to the SC The CPMO will operate as a "Virtual Office" without a physical location The duties of the CPMO will be determined by the CPMs The CPMs will meet semi-annually with additional meetings held at the request of either representative Hosting these meetings will alternate unless otherwise mutually decided The host CPM will chair the meetings and all decisions of the CPMs will be made unanimously Additional personnel from the Participants may attend these meetings at the invitation of the CPM but will have no voting rights In the event that the CPMs are unable to reach a timely decision on a CPMO issue, they will refer the issue to the SC for resolution In the meantime, except for the issue concerned, previous SC and CPM decisions will continue to be implemented without interruption under the direction of the CPMs while higher authority attempts to resolve the issue

4 3 1 The CPMO will be responsible for

4 3 1 1 implementing this MOU and for the day-to-day management of the activities associated with this MOU,

4 3 1 2 monitoring export control arrangements required to implement this MOU and, if applicable, referring immediately to the SC any export control issues that could adversely affect the implementation of this MOU,

4 3 1 3 determining areas of cooperation to pursue by developing and maintaining a joint strategy, aimed at

identifying areas in which U S /UK cooperation is likely to be beneficial,

4 3 1 4 preparing the CD and identifying potential areas of cooperation for review by the SC as stated in subparagraph 4 2 2,

4 3 1 5 developing and maintaining joint technology plans and roadmaps in particular areas to allow the value of existing Projects to be assessed and topics for new Projects to be identified,

4 3 1 6 overseeing development of PAs in accordance with Annex A, and assisting in the implementation of signed PAs, as necessary, in accordance with the signed PAs' provisions,

4 3 1 7 approve TORs proposed by the Secretariat,

4 3 1 8 appointing specific individuals from each nation to WGs to prosecute work under the MOU and, if necessary, any of its PAs in accordance with the PAs' provisions,

4 3 1 9 establishing and providing oversight and guidance to the Configuration Management Panel (CMP) as described in Section V (Configuration Management),

4 3 1 10 reviewing and forwarding proposed PAs to the SC for approval and necessary action, as well as proposed amendments to this MOU and its PAs, in accordance with Section XX (Amendment, Termination, Entry into Effect, and Duration),

4 3 1 11 approving plans to manage and control the transfer of Project Equipment provided by either Participant to support the execution of a PA, in accordance with Section IX (Project Equipment) and the provisions of the PA,

4 3 1 12 approving plans for the disposal of jointly acquired or generated Project Equipment under a PA, in accordance with Section IX (Project Equipment) and the provisions of the PA,

4 3 1 13 maintaining oversight of the security aspects of the MOU and its PAs, including reviewing and obtaining approval

from the appropriate DSA of this MOU's Project Security Instruction (PSI) and Classification Guide (CG) and of a PA's PSI and CG prior to the transfer of Classified Information or Controlled Unclassified Information,

4 3 1 14 monitoring Third Party sales and transfers authorized in accordance with Section XV (Third Party Sales and Transfers),

4 3 1 15 reviewing status reports submitted by the Secretariat,

4 3 1 16 managing the cost, schedule, performance requirements, and technical and financial aspects of the PAs, if necessary, in accordance with the provisions of the PAs,

4 3 1 17 monitoring the progress of WGs and PAs, and providing guidance as required,

4 3 1 18 executing and monitoring the financial aspects of this MOU and its PAs in accordance with Section VI (Financial Provisions) of this MOU Developing and implementing an FMPD for the operation of the CPMO and Secretariat, if jointly funded, and reviewing individual FMPDs developed under PAs,

4 3 1 19 resolving issues raised by the individual WGs Issues that cannot be resolved will be referred to the SC,

4 3 1 20 forwarding recommendations to the SC for the addition of new Participants, in accordance with Section XVII (Participation of Additional Participants), and

4 3 1 21 providing status reports to the SC on an annual basis

4 3 2 Secretariat

The CPMO will be supported by a Secretariat of at least one representative from each Participant The Secretariat will

4 3 2 1 propose issues and topics for SC and CPMO meetings,

4 3 2 2 develop and publish agenda for SC and CPMO meetings,

4 3 2 3 record and publish meeting minutes and action items,

4 3 2 4 follow-up on actions from the SC and CPMO meetings,

4 3 2 5 propose WG topics and TORs for CPMO approval,

4 3 2 6 maintain a current list of WGs and PAs under this MOU as well as monitor, and provide reports on, the status of existing and proposed PAs,

4 3 2 7 monitor the approved lists of Project Equipment developed and approved under PAs,

4 3 2 8 maintain a current list of Information exchanged under this MOU pursuant to the provisions of subparagraph 3 5 of Section III (Scope of Work),

4 3 2 9 identify process issues needing CPM attention,

4 3 2 10 develop, coordinate and staff for signature, through the appropriate national channels, all proposed PAs, amendments to this MOU and amendments to PAs,

4 3 2 11 develop, coordinate, obtain approval and forward to the CPMO a PSI for this MOU, and assist in the development of PSIs and Classification Guides for PAs, within three months after signature, and

4 3 2 12 perform other duties as assigned

4 3 3 Working Groups

WGs will consist of representatives from both Participants as determined by the CPMO WGs will meet as necessary to facilitate achievement of the goals of the MOU as directed by the CPMO The location and chairmanship of meetings will be determined by the WG membership WGs will be responsible for

4 3 3 1 implementing the instructions of the SC and CPMO,

4 3 3 2 prosecuting work under this MOU, as appropriate, in accordance with the provisions of this MOU and its PAs,

4 3 3 3 recommending changes to WG membership to the CPMO,

4 3 3 4 providing status reports to the CPMO as required, and

4 3 3 5 referring issues to the CPMO that cannot be resolved by the WG

4 3 4 Project Officers

For each PA, each CPM will appoint a PO The POs will meet as necessary All decisions of the POs will be by unanimous consent The POs will have the following responsibilities

4 3 4 1 implementing and managing their assigned PA,

4 3 4 2 monitoring the financial, technical, security, cost, and schedule performance against requirements,

4 3 4 3 reporting the status of the PA to the CPMO, as required, but at least annually,

4 3 4 4 referring issues that cannot be resolved by them to the CPMO for resolution,

4 3 4 5 developing and implementing approved transfers of Project Equipment,

4 3 4 6 maintaining a list of all Project Equipment transferred pursuant to the PA,

4 3 4 7 developing and implementing approved plans for disposal of jointly acquired Project Equipment,

4 3 4 8 developing and forwarding to the CPMO a PSI and CG, if required, within three months after PA signature and implementing them upon final approval, and

4 3 4 9 undertaking any other tasks related to the PA as directed by the CPMO

4 4 If a Participant finds it necessary to exercise a restriction on the retransfer of export-controlled Information as set out in subparagraph 10 1 2 of Section X (Disclosure and Use of Information), it will promptly inform the other Participant If a restriction is then exercised and the other Participant objects, the objecting Participant's SC representative will promptly notify the other Participant's SC representative and they will immediately consult in order to discuss ways to resolve such issues or mitigate any adverse effects

SECTION V

CONFIGURATION MANAGEMENT

5 1 To improve the opportunities for interoperability, the Participants intend to strive for the maximum commonality in configuration of the CH To accomplish this goal the CPMO will establish a Configuration Management Panel (CMP) to maintain oversight of the configuration of each Participant's CH fleet and provide configuration status accounting The CMP will review the ECPs of both Participants with a view toward reducing costs and maximizing common configuration

5 2 The CMP will be co-chaired by one representative from each Participant, as appointed by the CPMO Each Participant may have as many representatives attend CMP meetings as deemed necessary Decisions of the CMP will be made unanimously Each of the co-chair representatives will have one vote and the other representatives will have no voting rights The CMP will meet semi-annually and more often if deemed necessary The CMP co-chairs will alternate hosting the meetings unless otherwise mutually agreed

5 3 Draft ECPs will be submitted to ensure each Participant receives them not later than 90 calendar days prior to scheduled CMP meetings Engineering data, drawings, technical manual data, and other data associated with the ECP will be considered Project Background Information

5 4 The Participants will immediately notify each other of critical safety related issues and concerns Emergency ECPs will normally be limited to safety related matters Safety related issues and emergency ECPs will be transmitted to all national points of contact by the most expeditious means possible Voice, email and data fax will be the primary means of transmission

5 5 The Participants will immediately notify each other of critical or emergency issues impacting on material availability, manufacturing capability, schedule, and cost Issues will be transmitted to all national points of contact by voice, email and data fax

5 6 In the event that the CMP cannot reach a decision on a proposed ECP they will refer the issue to the CPMO

5 7 Each individual Participant may elect to proceed with a unique national configuration

5 8 Those ECPs that the CMP determine to have potential for joint application will be referred to the Secretariat to establish the PA for joint participation The PA should include all aspects of implementation of the ECP to include test and evaluation and technical manual changes The guidelines for equitability set forth in Section VI (Financial Arrangements) apply to the joint ECP PAs as well as other PAs

SECTION VI

FINANCIAL ARRANGEMENTS

6 1 This MOU itself creates no financial responsibilities

6 2 Each Participant will contribute its equitable share of the full financial costs and non-financial costs incurred in performing, managing, and administering its responsibilities under this MOU or its PAs, including overhead costs, administrative costs, and costs of claims and each Participant will receive an equitable share of the results of the Project

6 3 A Participant will promptly notify the other Participant if available funds are not adequate to fulfill its responsibilities under this MOU or applicable PA If a Participant notifies the other Participant that it is terminating or reducing its funding for a Project, both Participants will immediately consult with a view toward continuation on a modified basis

6 4 The U S Dollar (USD) will be the reference currency and the U S Fiscal Year (FY) will be the reference FY for this MOU and attendant PAs The U S FY runs from 1st October through 30th September

6 5 Detailed descriptions of the financial arrangements for a specific Project , including the total estimated cost of the Project and each Participant's share of the total estimated cost, will be contained in the PA Each Participant will contribute its equitable share of the total estimated cost of each PA and the Participants will share all the results equitably The Participants may contribute their equitable shares of the full costs of such PAs in financial or non-financial contributions needed for such PAs

6 6 For each PA, the POs will be responsible, when necessary, for establishing the financial management procedures under which the Project will operate

6 7 For CPP assignments, the Participants will bear the costs as follows

6 7 1 The Parent Participant will bear the following costs

6 7 1 1 all pay and allowances,

6 7 1 2 transportation of CPP, CPP dependents, and their personal property to the country of the Host Participant prior to commencement of the CPP assignment, and return transportation of the foregoing from the country of the Host Participant upon completion or termination of the CPP assignment, and

6 7 1 3 compensation for loss of, or damage to, the personal property of CPP or CPP dependents, subject to the laws and regulations of the parent Participant's government

6 7 2 The Host Participant will bear the following costs

6 7 2 1 travel and subsistence costs in connection with the performance of any duty carried out pursuant to a requirement of the Host Participant, and

6 7 2 2 costs incurred as a result of a change in location of work ordered by the Host Participant during the period of assignment

6 8 Each Participant will be responsible for its own internal audit of the activities for which it is responsible pursuant to a PA in accordance with its own national practices

SECTION VII

CONTRACTING PROVISIONS

7 1 If either Participant determines that Contracting is necessary to fulfill its responsibilities under this MOU, that Participant will contract in accordance with its respective national laws, regulations, and procedures Sources from both Participants' industries will be allowed to compete on an equal basis for such Contracts

7 2 When a Participant individually contracts to perform a task, it will be solely responsible for its own Contracting, and the other Participant will not be subject to any liability arising from such Contracts without its prior written consent

7 3 For all Contracting activities performed by either Participant, the CPMs will, upon request, be provided a copy of all statements of work prior to the development of solicitations

7 4 Each Participant's Contracting Agency will negotiate to obtain the rights to use and disclose Project Information required by Section X (Disclosure and Use of Information) Each Participant's Contracting Agency will insert into its perspective Contracts (and require its Contractors to insert in subcontracts) provisions that satisfy the requirements of this MOU, including Section X (Disclosure and Use of Information), Section XI (Controlled Unclassified Information), Section XIV (Security), Section XV (Third Party Sales and Transfers), and Section XX (Amendment, Termination Entry into Effect, and Duration), including export control provisions in accordance with this MOU, in particular 7 5 and 7 6 During the Contracting process, each Participant will also advise prospective Contractors of their responsibility to immediately notify their respective Participant's Contracting Agency, before Contract award, if they are subject to any license or agreement that will restrict their government's freedom to disclose Information or permit its use, and to employ their best efforts not to enter into any new agreement or arrangement that will result in restrictions

7 5 Each Participant will legally bind its Contractors to a requirement that the Contractor will not retransfer or otherwise use export-controlled Information furnished by the other Participant for any retransfer or otherwise use export-controlled information furnished by the other Participant for any purpose other than the purposes authorized under this MOU The Contractor will also be legally bound not to retransfer the export-controlled Information to another Contractor or subcontractor unless that Contractor or subcontractor has been legally bound to limit use

of the information to the purposes authorized under this MOU Export-controlled Information furnished by one Participant under this MOU may only be retransferred by the other Participant to its Contractors if the legal arrangements required by this paragraph have been established

7 6 Each Participant will legally bind its Prospective Contractors to a requirement that the Prospective Contractor will not retransfer or otherwise use export-controlled Information furnished by the other Participant for any purpose other than responding to a solicitation issued in furtherance of the purposes authorized under this MOU Prospective Contractors will not be authorized use for any other purpose if they are not awarded a Contract The Prospective Contractors will also be legally bound not to retransfer the export-controlled Information to a prospective subcontractor unless that prospective subcontractor has been legally bound to limit use of the export-controlled information for the purpose of responding to the solicitation Export-controlled information furnished by one Participant under the MOU may only be retransferred by the other Participant to is Prospective Contractors if the legal arrangements required by this paragraph have been established Upon request by the furnishing Participant, the receiving Participant will identify its Prospective Contractors and prospective subcontractors receiving such export-controlled Information

7 7 In the event a Participant's Contracting Agency is unable to secure adequate rights to use and disclose Project Information as required by Section X (Disclosure and Use of Information), or is notified by Contractors or potential Contractors of any restrictions on the disclosure and use of Project Information, that Participant's Contracting Agency will refer the matter to the CPMO

7 8 Each Participant will promptly advise the other Participant of any schedule delay or other performance problems of any Contractor in connection with a Contract placed by its Contracting Agency pursuant to a PA

SECTION VIII

WORK SHARING

8 1 No requirement will be imposed by either Participant for work sharing or other industrial or commercial compensation in connection with this MOU and any of its PAs that is not in accordance with this MOU

SECTION IX

PROJECT EQUIPMENT

9 1 Each Participant may provide Project Equipment identified as being necessary for executing a PA to the other Participant Project Equipment will remain the property of the providing Participant A list of Project Equipment Exchanges provided by one Participant to the other will be developed and maintained by the Secretariat in accordance with Section IV (Management) prior to such transfers

9 2 The receiving Participant will maintain any such Project Equipment in good order, repair, and operable condition Unless the providing Participant has authorized the Project Equipment to be expended or otherwise consumed without reimbursement to the providing Participant, the receiving Participant will return the Project Equipment to the providing Participant in as good condition as received, normal wear and tear excepted, or return the Project Equipment and pay the cost to restore it If the Project Equipment is damaged beyond economical repair, the receiving Participant will return the Project Equipment to the providing Participant (unless otherwise specified in writing by the providing Participant) and pay its replacement value as computed pursuant to the providing Participant's national laws and regulations If the Project Equipment is lost while in the custody of the receiving Participant, the receiving Participant will issue a certificate of loss to the providing Participant and pay the replacement cost as estimated in the list of Project Equipment Exchanges specified in paragraph 9 1 If known at the time of entry into effect, the replacement value of the Project Equipment will be specified in the PA

9 3 The providing Participant will deliver Project Equipment to the receiving Participant at a mutually approved location Possession of the Project Equipment will pass from the providing Participant to the receiving Participant at the time of receipt of the Project Equipment Any further transportation is the responsibility of the receiving Participant

9 4 All Project Equipment that is transferred will be used by the receiving Participant only for the purposes of carrying out a PA, unless otherwise consented to in writing by the providing Participant In addition, in accordance with Section XV (Third Party Sales and Transfers), Project Equipment will not be re-transferred to a Third Party without the prior written consent of the providing Participant

9 5 Project Equipment transferred to one Participant under this MOU will be returned to the providing Participant prior to the termination or expiration of this MOU

SECTION X

DISCLOSURE AND USE OF INFORMATION

10 1 General

10 1 1 The Participants recognize that successful collaboration depends on full and prompt exchange of Information necessary for carrying out this MOU The Participants intend to acquire sufficient information and rights to use such Information to achieve cooperation on the improvement, interoperability and support of the CH Information exchanged for the purpose of harmonizing the Participants' requirements for formulating, developing and negotiating PAs, and the establishing of WG tasks to assist such purposes may be used only for the purpose for information and evaluation The nature and amount of Project Information to be acquired will be consistent with Sections II (Objectives), III (Scope of Work) and Section VII (Contracting Provision)

10 1 2 Transfer of Project Information will be consistent with the furnishing Participant's applicable export control laws and regulations Unless otherwise restricted by duly authorized officials of the furnishing Participant at the time of transfer to the other Participant, all export controlled Information furnished by that Participant to the other Participant may be retransferred to the other Participant's Contractors, subcontractors, Prospective Contractors, and prospective subcontractors, subject to the requirements of subparagraphs 7 5 and 7 6 of Section VII (Contracting Provisions) Export controlled Information may be furnished by U S Contractors, subcontractors, Prospective Contractors, and prospective subcontractors of one Participant's nation to Contractors, subcontractors, Prospective Contractors, prospective subcontractors of the other Participant's nation pursuant to this MOU subject to the conditions established in licenses or other approvals issued by the Government of the former Participant in accordance with its applicable export control laws and regulations

10 2 For Information exchanged outside of a Project under this MOU, the Participants may exchange Information through the SC or their designated representatives for the purposes of understanding the Participants' respective MOU requirements, evaluation, and assessment with a view to identifying areas for cooperation, and for formulating, developing, and negotiating Projects, as set out at paragraph 3 5 The furnishing Participant will clearly indicate to the receiving Participant that it is furnishing Information for these purposes The disclosure and use of

Information provisions of this Section that govern these Information exchange activities are as follows

10 2 1 A Participant (including its Contractor Support Personnel) may only use the Information exchanged under this MOU for information and evaluation purposes The specific prior written consent of the originating Participant is required for any other use or disclosure, including disclosure to Contractors

10 2 2 A receiving Participant will ensure that Contractor Support Personnel or, where prior written consent has been obtained, Contractors to whom it discloses Information received under this MOU are under a legally binding obligation not to further disclose such Information, and not to use such Information for other than information and evaluation purposes, without prior written authorization

10 2 3 No transfer of ownership of Information exchanged under this MOU will occur via the provisions thereof, and hence such Information will remain the property of the originating Participant or the holder of the proprietary rights Where prior written consent has been obtained, transfer of such Information to Contractors will be consistent with each Participant's applicable respective export control laws and regulations

10 2 4 The Participants may exchange Information outside of a Project under this MOU only when the following conditions are met

10 2 4 1 such Information may be made available only if the rights of holders of Intellectual Property rights are not infringed,

10 2 4 2 disclosure is consistent with national disclosure policies and regulations of the furnishing Participant

Disclosure and Use of Project Information

10 3 Government Project Foreground Information

10 3 1 Disclosure Project Foreground Information generated in whole or in part by a Participant's military or civilian employees will be disclosed without charge to both Participants

10 3 2 Use Each Participant may use or have used on its behalf all Government Project Foreground Information without charge for Defense Purposes The Participant generating Government Project Foreground Information will also retain its rights of use thereto Any sale or other transfer to a Third Party will be subject to the

provisions of Section XV (Third Part Sales and Transfers) of this MOU

10 4 Government Project Background Information

10 4 1 Disclosure Each Participant, upon request, will disclose to the other Participant any relevant Government Project Background Information generated by its military or civilian employees, provided that

10 4 1 1 such Project Background Information is necessary to or useful in the Project , with the Participant in possession of the Information determining whether it is "necessary to" or "useful in" the Project ,

10 4 1 2 such Project Background Information may be made available only if the rights of holders of Intellectual Property rights are not infringed,

10 4 1 3 disclosure is consistent with national disclosure policies and regulations of the furnishing Participant, and

10 4 1 4 any disclosure or transfer of such Government Project Background Information to Contractors is consistent with the furnishing Participant's export control laws and export control regulations

10 4 2 Use Government Project Background Information disclosed by one Participant to the other may be used without charge by or for the other Participant for Project Purposes only, however, the furnishing Participant will retain ownership and all its rights with respect to such Project Background Information

10 5 Contractor Project Foreground Information

10 5 1 Disclosure Project Foreground Information generated and delivered by Contractors, will be disclosed without charge to both Participants

10 5 2 Use Each Participant may use or have used on its behalf without charge for its Defense Purposes all Contractor Project Foreground Information generated and delivered by Contractors of the other Participant The Participant whose Contractors generate and deliver Contractor Project Foreground information will also retain rights of use thereto in accordance with the applicable Contract(s) Any sale or other transfer to a Third Party of Contractor Project

Foreground Information will be subject to the provisions of Section XV (Third Party Sales or Transfers) of this MOU

10 6 Contractor Project Background Information

10 6 1 Disclosure Any Project Background Information, (including Information subject to proprietary rights) generated and delivered by a contractor outside of a Project or delivered by a Contractor under a Project will be made available to the other Participant provided the following provisions are met

10 6 1 1 such Project Background Information is necessary to or useful in the Project , with the Participant in possession of the Information determining whether it is "necessary to" or "useful in" the Project ,

10 6 1 2 such Project Background Information may be made available only if the rights of holders of Intellectual Property rights are not infringed,

10 6 1 3 disclosure is consistent with national disclosure policies and regulations of the furnishing Participant, and

10 6 1 4 any disclosure or transfer of such Contractor Project Background Information to Contractors is consistent with the furnishing Participant's export control laws and export control regulations

10 6 2 Use Project Background Information furnished by one Participant's contractors and disclosed to the other Participant may be used without charge by or for the other Participant for Project Purposes only, and may be subject to further restrictions by holders of Intellectual Property rights, however, the furnishing Participant will retain all its rights with respect to such Project Background Information

10 7 Alternative Uses of Project Information

10 7 1 Any Project Background Information provided by one Participant will be used by the other Participant only for the purposes set forth in this MOU, unless otherwise consented to in writing by the providing Participant

10 7 2 The prior written consent of each Participant will be required for the use of Project Foreground Information for purposes other than those provided for in this MOU

10 8 Proprietary Project Information

10 8 1 All Project Information subject to disclosure and use restrictions with respect to Intellectual Property rights will be identified and marked, and it will be handled as Controlled Unclassified Information or as Classified Information, depending on its security classification

10 8 2 The provisions of the NATO Agreement on the Communication of Technical Information for Defence Purposes, done at Brussels on 19 October 1970, and the Implementing Procedures for the NATO Agreement on the Communication of Technical Information for Defence Purposes, approved by the North Atlantic Council on 1 January 1971, will apply to Project Information that is subject to Intellectual Property rights

10 9 Patents

10 9 1 Each Participant will include in all its Contracts under this MOU, provisions governing the disposition of rights in regard to Project Inventions and Patent rights relating thereto, which either

10 9 1 1 provides that the Participant will hold title to all such Project Inventions together with the right to make Patent applications for the same, free of encumbrance from the Contractor, or

10 9 1 2 provides that the Contractor will hold title (or may elect to retain title) for Project Inventions together with the right to make Patent applications for the same, while securing for the Participant a license for the Project Inventions, and any Patents thereto, on terms in compliance with the provisions of subparagraph 10 9 2 below

10 9 2 In the event that a Contractor holds title (or elects to retain title) for any Project Invention, the Contracting Participant will secure for the other Participant non-exclusive, irrevocable, royalty-free licenses under all Patents secured for that Project Invention, to practice or have practiced the patented Project Invention for Defense Purposes throughout the world

10 9 3 The provisions of subparagraphs 10 9 4 through 10 9 7 below will apply in regard to Patent rights for all Project Inventions made by any Participants' military or civilian employees, including those within Government-owned facilities, and for all Project Inventions

made by Contractors for which the Contracting Participant holds title or is entitled to acquire title

10 9 4 Where a Participant has or can secure the right to file a Patent application with regard to a Project Invention that Participant will consult with the other Participant regarding the filing of such Patent application The Participant which has or receives title to such Project Invention will, in other countries, file, cause to be filed, or provide the other Participant with the opportunity to file on behalf of the Participant holding title, Patent applications covering that Project Invention If a Participant having filed or caused to be filed a Patent application decides to stop prosecution of the application, that Participant will notify the other Participant of that decision and permit the other Participant to continue the prosecution

10 9 5 Each Participant will furnish the other Participant with copies of Patent applications filed and Patents granted with regard to Project Inventions

10 9 6 Each Participant will grant to the other Participant a non-exclusive, irrevocable, royalty-free license under its Patents for Project Inventions, to practice or have practiced the patented Project Invention for Project Purposes throughout the world

10 9 7 Patent applications to be filed, or assertions of other Intellectual Property rights, under this MOU which contain Classified Information will be protected and safeguarded in accordance with the requirements contained in the NATO Agreement for the Mutual Safeguarding of Secrecy of Inventions Relating to Defence and for which Applications for Patents have been made, done in Paris on 21 September 1960, and its Implementing Procedures

10 10 Intellectual Property Infringement Claims Each Participant will notify the other Participant of any Intellectual Property infringement claims brought against that Participant arising in the course of work performed under a Project on behalf of the other Participant Insofar as possible, the other applicable Participant will provide Information available to them that may assist in defending such claims Each Participant will be responsible for handling such Intellectual Property infringement claims brought against it, and will consult with the other Participant during the handling, and prior to any settlement, of such claims The Participants will share the costs of resolving such Intellectual Property infringement claims in proportion to their financial contributions for that work specified in the applicable PA

10 11 Authorization and Consent The Participants will, as permitted by their national laws, regulations, and practices, give their authorization and

consent for all use and manufacture in the course of work performed under the Project of any invention covered by Patent, or as determined to be necessary for work under the Project, authorization and consent for Non-commercial copyright, granted or otherwise provided by their respective countries

SECTION XI

CONTROLLED UNCLASSIFIED INFORMATION

11 1 Except as otherwise provided in this MOU or as authorized in writing by the origination Participant, Controlled Unclassified Information provided or generated pursuant to this MOU will be controlled as follows

11 1 1 Such Information will be used only for the purposes authorized for use of Project Information as specified in Section X (Disclosure and Use of Information)

11 1 2 Access to such Information will be limited to personnel whose access is necessary for the permitted use under subparagraph 11 1 1 and will be subject to the provisions of Section XV (Third Party Sales and Transfers)

11 1 3 Each Participant will take all lawful steps, which may include national classification, available to it to keep such Information free from further disclosure (including requests under any legislative provisions), except as provided in subparagraph 11 1 2, unless the originating Participant consents to such disclosure In the event of unauthorized disclosure, or if it becomes probable that the Information may have to be further disclosed under any legislative provision, immediate notification will be given to the originating Participant

11 2 To assist in providing the appropriate controls, the originating Participant will ensure that Controlled Unclassified Information is appropriately marked to ensure its "in confidence" nature The Participants' export-controlled Information will be marked in accordance with the applicable Participant's export control markings as documented in the PSI The Participants will also decide, in advance and in writing, on the markings to be placed on any other types of Controlled Unclassified Information and describe such markings in the PSI

11 3 Controlled Unclassified Information provided or generated pursuant to this MOU will be handled in a manner that ensures control as provided for in paragraph 11 1

11 4 Prior to authorizing the release of Controlled Unclassified Information to Contractors, the Participants will ensure the Contractors are legally bound to control such Information in accordance with the provisions of this Section

SECTION XII

VISITS TO ESTABLISHMENTS

12 1 Each Participant will permit visits to its government establishments, agencies, and laboratories, and Contractor industrial facilities by employees of the other Participant or by employees of the other Participant's Contractor(s), provided that the visit is authorized by both Participants and the employees have any necessary and appropriate security clearances and a need-to-know

12 2 All visiting personnel will be required to comply with security regulations of the Host Participant and the establishment to be visited Any Information disclosed or made available to visitors will be treated as if supplied to the Participant sponsoring the visiting personnel, and will be subject to the provisions of this MOU

12 3 Requests for visits by personnel of one Participant to a facility of the other Participant will be coordinated through official channels, and will conform with the established visit procedures of the host country Requests for visits will bear the name of this MOU

12 4 Lists of personnel of each Participant required to visit facilities of the other Participant on a continuing basis will be submitted through official channels in accordance with recurring internaitonal visit procedures

SECTION XIII

COOPERATIVE PROJECT PERSONNEL

13 1 Purpose and Scope

13 1 1 This Section establishes the terms and provisions for Cooperative Project Personnel (CPP) assigned for work in accordance with Section III (Scope of Work) of this MOU CPP must be able to perform all responsibilities assigned to them under this MOU Commencement of assignments will be subject to the requirements that may be imposed by the Host Participant or its government regarding acceptance of CPP, such as, but not limited to, visas and visit request documentation The Host Participant and Parent Participant will determine the length of tour for the positions at the time of initial assignment

13 1 2 CPP will be assigned to work on a specific Project and will report to a supervisor to be identified by the Host Participant CPP will have a position description mutually determined by the Parent Participant and Host Participant CPP will not act as liaison officers for their Parent Participant

13 1 3 CPP will not be assigned to command or other positions that would require them to exercise responsibilities that are reserved by law or regulation to an officer or employee of the Host Participant's government

13 2 Security

13 2 1 The SC will establish the maximum level of security clearance required, if any, to permit CPP to have access to Classified Information and facilities in which Classified Information is used in accordance with the Project Security Instruction (PSI) and Classification Guide (CG) Access to Classified Information and facilities in which Classified Information is used will be consistent with, and limited by, Section II (Objectives) and Section III (Scope of Work) of this MOU and will be kept to the minimum required to accomplish the work assignments

13 2 2 The Parent Participant will file visit requests through prescribed channels in compliance with the Host Participant's procedures As part of the visit request procedures, the Participants will cause security assurances to be filed, through the Parent Participants'

Embassy in the Host Participants' country, specifying the security clearances for the CPP being assigned

13 2 3 The Host and Parent Participant will use their best efforts to ensure that CPP assigned to a Host Participant's facility to conduct a Project are aware of, and comply with, applicable laws and regulations as well as the requirements of Section XI (Controlled Unclassified Information), Section XII (Visits to Establishments), Section XIV (Security), and paragraph 20 6 of Section XX (Amendment, Termination, Entry into Effect, and Duration) of this MOU and the provisions of the PSI and CG Prior to commencing assigned duties, CPP will, if required by the Host Participant's government laws, regulations, policies, or procedures, sign a certification concerning the conditions and responsibilities of CPP

13 2 4 CPP will at all times be required to comply with the security and export control laws, regulations, and procedures of the Host Participant's Government Any violation of security procedures by CPP during their assignment will be reported to the Parent Participant for appropriate action CPP committing significant violations of security laws, regulations, or procedures during their assignments will be withdrawn from the Project with a view toward appropriate administrative or disciplinary action by their Parent Participant

13 2 5 All Classified Information made available to CPP will be considered as Classified Information furnished to the Parent Participant, and will be subject to all provisions and safeguards provided for in Section XIV (Security), the PSI, and CG

13 2 6 CPP will not have personal custody of Classified Information or Controlled Unclassified Information unless approved by the Host Participant and as authorized by their Parent Participant They will be granted access to such Information in accordance with Section XI (Controlled Unclassified Information), Section XIV (Security), and the applicable PSI during normal duty hours and when access is necessary to perform Project work

13 2 7 CPP assigned to a Host Participant's facility to conduct a Project will not serve as a conduit between the Host Participant and Parent Participant for requests and/or transmission of Classified Information or Controlled Unclassified Information unless specifically authorized by the PSI

13 3 Technical and Administrative Matters

13 3 1 The tax treatment of income received by CPP from the Parent Participant will be determined by reference to the tax legislation of the Government of the Host Participant and the Government of the Parent Participant, subject to the terms of any double taxation agreement in force between the government of the Host Participant and the government of the Parent Participant, or by the terms of the NATO Status of Forces Agreement

13 3 2 On arrival CPP and their dependents will be provided briefings arranged by the Host Participant's representative regarding (subject to applicable multilateral and bilateral arrangements) entitlements, privileges, and obligations such as

13 3 2 1 Any medical and dental care that may be provided to CPP and their dependents at local medical facilities, subject to the requirements of applicable laws and regulations, including reimbursement when required

13 3 2 2 Purchasing and patronage privileges at military commissaries, exchanges, theaters, and clubs for CPP and their dependents, subject to the requirements of applicable laws and regulations

13 3 2 3 The Host Participant will provide, if available, housing and messing facilities for CPP and their dependents on the same basis and priority as for its own personnel CPP will pay messing and housing charges to the same extent as Host Participant personnel At locations where facilities are not provided by the Host Participant for its own personnel, the Parent Participant will make suitable arrangements for its CPP

13 3 2 4 Responsibility of CPP and their accompanying dependents to obtain motor vehicle liability insurance coverage in accordance with the laws and regulations applicable in the area where they are residing In case of claims involving the use of private motor vehicles by CPP, the recourse will be against such insurance

13 4 The Host Participant will, in consultation with the CPP, establish standard operating procedures for CPP in the following areas

13 4 1 working hours, including holiday schedules,

13 4 2 leave authorization, consistent to the extent possible with the military and civilian personnel regulations and practices of the Host Participant and Parent Participant,

13 4 3 dress regulations, consistent to the extent possible with the military and civilian personnel regulations and practices of the Host Participant and Parent Participant, and

13 4 4 performance evaluations, recognizing that such evaluations will be rendered in accordance with the Parent Participant's military or civilian personnel regulations and practices

13 5 CPP committing an offense under the laws of the government of the Host Participant or Parent Participant may be withdrawn from this Project with a view toward further administrative or disciplinary action by the Parent Participant Disciplinary action, however, will not be taken by the Host Participant against CPP, nor will CPP exercise disciplinary powers over the Host Participant's personnel In accordance with Host Participant's government laws and regulations, the Host Participant will assist the Parent Participant in carrying out investigations of offenses involving CPP

13 6 During their assignment, CPP will not be placed in the following duty status or environments unless mutually decided by the Host Participant and Parent Participant

13 8 1 areas of political sensitivity where their presence may jeopardize the interests of either the Host Participant or Parent Participant, or where, in the normal course of their duty, they may become involved in activities which may embarrass either Participant,

13 8 2 deployments in non-direct hostility situations, such as UN peacekeeping or multi-national operations, or third countries, and

13 8 2 duty assignments in which direct hostilities are likely Should a Host Participant's facility become involved in hostilities unexpectedly, CPP assigned to that facility will not be involved in the hostilities Any such CPP approved by the Host Participant and Parent Participant for involvement in hostilities will be given specific guidance as to the conditions under which the assignment will be carried out by the appropriate authorities of the Host Participant and Parent Participant

13 7 The provisions of the NATO Status of Forces Agreement regarding the rights of a sending state's military personnel and civilian employees and their respective dependents will apply to CPP

SECTION XIV

SECURITY

14 1 All Classified Information or material provided or generated pursuant to this MOU and its Project will be stored, handled, transmitted, and safeguarded in accordance with the General Security Agreement between the United Kingdom of Great Britain and Northern Ireland and the United States of America, of 14 April 1961, as amended and including the Security Implementing Arrangement dated 27 January 2003 thereto

14 2 Classified Information and material will be transferred only through official government-to-government channels or through channels approved by the Designated Security Authorities (DSAs) of the Participants Such Information and material will bear the level of classification, denote the country of origin, the provisions of release, and the fact that the Information and material relates to this MOU

14 3 Each Participant will take all lawful steps available to it to ensure that Classified Information or material provided or generated pursuant to this MOU is protected from further disclosure, except as permitted by paragraph 14 8, unless the other Participant consents to such disclosure Accordingly, each Participant will ensure that

14 3 1 the recipient will not release the Classified Information or material to any government, national, organization or other entity of a Third Party without the prior written consent of the originating Participant in accordance with the procedures detailed in Section XV (Third Party Sales and Transfers),

14 3 2 the recipient will not use the Classified Information or material for other than the purposes provided for in this MOU,

14 3 3 the recipient will comply with any distribution and access restrictions on Information or material that is provided under this MOU, and

14 3 4 the recipient will maintain the security classification assigned to Classified Information of the providing Participant and will afford such Classified Information a degree of security protection at least equivalent to that required for its own Classified Information or Material

14 4 The Participants will investigate all cases in which it is known or where there are grounds for suspecting that Classified Information provided or

generated pursuant to the MOU and any of its PAs has been lost or disclosed to unauthorized persons Each Participant also will promptly and fully inform the other Participant of the known details of any such occurrences, and of the final results of the investigation and of the corrective actions taken to preclude recurrences

14 5 The Secretariat will prepare a PSI and a CG for this MOU and the POs will prepare a PSI and a CG for each Project The PSI and the CG will describe the methods by which Project Information and material will be classified, marked, used, transmitted, and safeguarded, and will require that markings for all export-controlled Classified Information also include the applicable export control markings identified in the PSI in accordance with subparagraph 10 1 2 of Section X (Controlled Unclassified Information) The PSI and CG will be developed by the Secretariat within three months after this MOU enters into effect They will be reviewed and forwarded to the Participants' DSAs for approval and will be applicable to all government and Contractor personnel participating in the Project The CG will be subject to regular review and revision with the aim of downgrading the classification whenever this is appropriate The PSI and the CG will be approved by the appropriate DSA prior to the transfer of any Classified Information or material or Controlled Unclassified Information or material

14 6 The DSA of the country in which a classified Contract is awarded will assume responsibility for administering within its territory security measures for the protection of the Classified Information or material, in accordance with its laws and regulations Prior to the release to a Contractor or prospective Contractor (in this section "Contractor" is intended to include a subcontractor at any level under the Contractor) of any Classified Information or material received under this MOU, the DSA will

14 6 1 ensure that such Contractor or prospective Contractor and their facilities have the capability to protect the Classified Information or material adequately,

14 6 2 grant a security clearance to the facilities, if appropriate,

14 6 3 grant a security clearance for all personnel whose duties require access to Classified Information or material, if appropriate,

14 6 4 ensure that all persons having access to the Classified Information or material are informed of their responsibilities to protect the Classified Information or material in accordance with national security laws and regulations, and the provisions of this MOU,

14 6 5 carry out periodic security inspections of cleared facilities to ensure that the Classified Information or material is properly protected, and

14 6 6 ensure that access to the Classified Information or material is limited to those persons who have a need-to-know for purposes of the MOU

14 7 The Participants recognize that certain Classified Project Information or material, both Foreground and Background, may be subject to special restrictions which will be established in accordance with the PSI

14 8 Contractors or prospective Contractors which are determined by the DSA to be under financial, administrative, policy or management control of nationals or entities of a Third Party, may participate in a Contract or subcontract requiring access to Classified Information or material provided or generated pursuant to this MOU only when enforceable measures are in effect to ensure that nationals or other entities of a Third Party will not have access to Classified Information or material If enforceable measures are not in effect to preclude access by nationals or other entities of a Third Party, the other Participant will be consulted for approval prior to permitting such access

14 9 For any facility wherein Classified Information or material is to be used, the responsible Participant or Contractor will approve the appointment of a person or persons to exercise effectively the responsibilities for safeguarding at such facility the Classified Information or material pertaining to this MOU These officials will be responsible for limiting access to Classified Information or material involved in this MOU to those persons who have been properly approved for access and have a need-to-know

14 10 Each Participant will ensure that access to the Classified Information or material is limited to those persons who possess requisite security clearances and have a specific need for access to the Classified Information or material in order to participate in a Project

14 11 Information or material provided or generated pursuant to this MOU may be classified as high as Secret The existence of this MOU is Unclassified and the contents are Unclassified

SECTION XV

THIRD PARTY SALES AND TRANSFERS

15 1 Except to the extent permitted in paragraph 15 2 and unless otherwise specified under any PA, the Participants will not sell, transfer title to, disclose, or transfer possession of Project Foreground Information or jointly acquired or produced Project Equipment to any Third Party without the prior written consent of the Government of the other Participant Furthermore, neither Participant will permit any such sale, disclosure, or transfer, including by the owner of the item, without the prior written consent of the Government of the other Participant Such consent will not be given unless the Government of the intended recipient consents in writing with the Participants that it will

15 1 1 not retransfer, or permit the further retransfer of, any such equipment or Information so provided, and

15 1 2 use, or permit the use of, all such equipment or Information so provided only for the purposes specified by the Participants

15 2 Each Participant will retain the right to sell, transfer title to disclose, or transfer possession of Project Foreground Information

15 2 1 which is generated solely by either that Participant or that Participant's Contractors in the performance of that Participant's work allocation under Section III (Scope of Work) under any subsequently established PA, and

15 2 2 which does not include any Project Foreground Information or Project Background Information of the other Participant, and whose generation, test or evaluation has not relied on the use of Project Equipment of the other Participant

15 3 In the event questions arise as to whether the Project Foreground Information (or any item produced either wholly or in part from the Project Foreground Information) that a Participant intends to sell, transfer title to, disclose, or transfer possession of to a Third Party is within the scope of paragraph 15 2, the matter will be brought to the immediate attention of the CPMO The Participants will resolve the matter prior to any sale or other transfer of such Project Foreground Information (or any item produced either wholly or in part from the Project Foreground Information) to a Third Party

SECTION XVI

LIABILITY AND CLAIMS

16 1 Claims arising under this MOU will be dealt with under paragraph 1 of the Agreement Between the United States of America and the United Kingdom of Great Britain and Northern Ireland Concerning Defense Cooperation Arrangements of 27 May 1993 In respect of Paragraph 1(b)(ii) of the Chapeau Agreement, each Participant will bear its own costs in respect of claims by Third Parties for injury or death to persons or damage to property arising from the conduct of Project

SECTION XVII

PARTICIPATION OF ADDITIONAL PARTICIPANTS

17 1 It is recognized that other potential participants may wish to join the MOU

17 2 Mutual consent of the SC and CPMO will be required to conduct discussions with potential additional participants The CPM will discuss the arrangements under which another participant might join, including the furnishing of relevant, releasable Project Information for evaluation prior to joining a PA If the disclosure of Project Information is necessary to conduct discussions, such disclosure will be in accordance with Section X (Disclosure and Use of Information), Section XI (Controlled Unclassified Information), Section XIV (Security), and Section XV (Third Party Sales and Transfers)

17 3 The CPMO will analyze and discuss the ramifications of each potential additional participant The CPMO will jointly formulate the provisions under which additional participants might join this MOU

17 4 The CPMO will present the results of their deliberations and their recommended provisions, to the SC The unanimous consent of the Participants, expressed through the SC, will be required for admission of a new participant

17 5 The addition of a new participant to this MOU will require amendment of this MOU by the Participants

SECTION XVIII

CUSTOMS DUTIES, TAXES, AND SIMILAR CHARGES

18 1 Customs duties, import and export taxes, and similar charges will be administered in accordance with each Participant's respective laws and regulations Insofar as existing national laws and regulations permit, the Participants will endeavor to ensure that such readily identifiable duties, taxes and similar charges, as well as quantitative or other restrictions on imports and exports are not imposed in connection with work carried out under Project to this MOU

18 2 Each Participant will use its best efforts to ensure that customs duties import and export taxes, and similar charges are relieved or otherwise administered in a manner favorable to the efficient and economical conduct of the work If any such duties, taxes, or similar charges are levied, the Participant in whose country they are levied will bear such costs

18 3 If, in order to apply European Union (EU) regulations, it is necessary to levy duties, then these will be met by the EU member end recipient To this end, parts of the components of the equipment coming from outside the EU will proceed to their final destination accompanied by the relevant customs document enabling settlement of duties to take place The duties will be levied as a cost over and above that Participant's shared cost the Project

SECTION XIX

SETTLEMENT OF DISPUTES

19 1 Disputes between the Participants arising under or relating to this MOU will be resolved only by consultation between the Participants and will not be referred to a national court, to an international tribunal, or to any other person or entity for settlement

SECTION XX

AMENDMENT, TERMINATION, ENTRY INTO EFFECT, AND DURATION

20 1 All Projects under this MOU, including any subsequently established PAs will be carried out in accordance with their national laws and regulations, including their export control laws and regulations The obligations of the Participants will be subject to the availability of funds appropriated to implement this MOU and its Projects

20 2 In the event of a conflict between a Section of this MOU and any Annex to this MOU or subsequently established PA under this MOU, the Section will take precedence

20 3 This MOU, Annexes to the MOU, and any PA under this MOU may be amended by the mutual written consent of the Participants

20 4 This MOU and any PA under this MOU may be terminated at any time upon the mutual written consent of the Participants In the event that this MOU is terminated in accordance with this paragraph or paragraph 20 5, all extant Annexes and PAs will terminate at the same time as the MOU is terminated In the event that both Participants consent to terminate this MOU or any PA, the Participants will consult prior to the date of termination to ensure termination on the most economical and equitable terms

20 5 Either Participant may terminate this MOU or any subsequently established PA upon 180 days written notification to the other Participant Such notice will be the subject of immediate consultation by the SC to decide upon the appropriate course of action In the event of such termination, the following rules apply to the MOU and each PA concerned

20 5 1 The terminating Participant will continue participation, financial and otherwise, up to the effective date of termination

20 5 2 Except as to Contracts awarded on behalf of both Participants, each Participant will be responsible for its own Project related costs associated with termination of a Project For Contracts awarded on behalf of both Participants, the terminating Participant will pay all Contract modification or termination costs that would not otherwise have been incurred but for the decision to terminate In no event, however, will a terminating Participant's total financial contribution, including Contract termination costs, exceed that Participant's total cost ceiling for financial contributions as established in the financial arrangements of the applicable PA

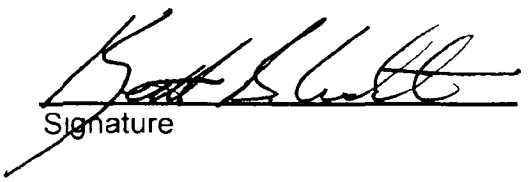
20 5 3 All Project Information and rights therein received under the provisions of this MOU prior to the termination will be retained by the Participants, subject to the provisions of this MOU and the applicable Projects

20 6 The respective rights and responsibilities of the Participants regarding Section IX (Project Equipment), Section X (Disclosure and Use of Information), Section XI (Controlled Unclassified Information), Section XIV (Security), Section XV (Third Party Sales and Transfers), and Section XVI (Liability and Claims), will continue to apply notwithstanding termination or expiration of the MOU or any of its Projects

20 7 This MOU, which consists of the Introduction, twenty (20) Sections and two (2) Annexes, will come into effect upon signature by both Participants and will remain in effect for 25 years It may be extended by written consent of the Participants

The foregoing represents the understandings reached between the Secretary of Defense on behalf of the Department of Defense of the United States of America and the Secretary of State for Defence of the United Kingdom of Great Britain and Northern Ireland upon the matters referred to therein Signed in duplicate in English by authorized representatives of the Participants

FOR THE SECRETARY OF DEFENSE ON BEHALF OF THE DEPARTMENT OF DEFENSE OF THE UNITED STATES OF AMERICA



Signature

Mr Keith B Webster

Name

Deputy Assistant Secretary of the Army for Defense Exports and Cooperation

Title

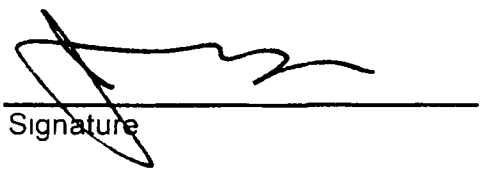
August 13, 2007

Date

Arlington, Virginia, U S A

Location

FOR THE SECRETARY OF STATE FOR DEFENCE OF THE UNITED KINGDOM OF GREAT BRITIAN AND NORTHERN IRELAND



Signature

J. H. LYLE

Name

Director General Helicopters

Title

22 August 2007

Date

Bristol, England

Location

ANNEX A

SAMPLE PROJECT ARRANGEMENT

TO THE MOU CONCERNING

COOPERATION ON THE FUTURE DEVELOPMENT, INTEROPERABILITY

AND SUPPORT

OF THE CH-47 CHINOOK HELICOPTER

PROJECT ARRANGMENT NO _____

BETWEEN

THE SECRETARY OF DEFENSE

ON BEHALF OF THE DEPARTMENT OF DEFENSE

OF THE UNITED STATES OF AMERICA

AND

THE SECRETARY OF STATE FOR DEFENCE

OF THE

UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND

CONCERNING

(FULL TITLE OF PROJECT)

CONTENTS

SECTION I - INTRODUCTION

SECTION II - DEFINITION OF TERMS AND ABBREVIATIONS

SECTION III - OBJECTIVES

SECTION IV - SCOPE OF WORK

SECTION V - SHARING OF TASKS

SECTION VI - MANAGEMENT

SECTION VII - FINANCIAL ARRANGEMENTS

SECTION VIII - CLASSIFICATION

SECTION IX - PRINCIPAL ORGANIZATIONS INVOLVED

SECTION X - PROJECT EQUIPMENT

SECTION XI - SPECIAL PROVISIONS

SECTION XII – AMENDMENT, TERMINATION, ENTRY INTO EFFECT, AMENDMENT, AND DURATION

SECTION I

INTRODUCTION

This Project Arrangement (PA) is entered into pursuant to the Memorandum of Understanding (MOU) between the Secretary of Defense on behalf of the Department of Defense of the United States of America and the Secretary of State for Defence of the United Kingdom of Great Britain and Northern Ireland concerning Cooperation on the Future Development, Interoperability and Support of the CH-47 Chinook Helicopter (CH) of MM/DD/YY, the terms of which are hereby incorporated by reference

SECTION II

DEFINITIONS OF TERMS AND ABBREVIATIONS

[*Define only those terms used in this PA that have not been defined in the CH MOU*]

SECTION III

OBJECTIVES

The objectives of this _____Project are

a _____

b _____

c _____

SECTION IV

SCOPE OF WORK

The following work will be carried out under this PA

a _____

b _____

c _____

SECTION V

SHARING OF TASKS

The sharing of tasks will be as follows

a The DOD will _____

b The MOD will _____

c The DOD and MOD will jointly _____

d Prepare a final report for transmission to the CPMO

SECTION VI

BREAK DOWN AND SCHEDULE OF TASKS

[*When the tasks covered under this Project may be performed using multiple phases, requiring milestones or decision points*]

The Project will proceed according to the following phases and schedule

Phase 1 DURATION

Description of Phase 1

(Milestone 1) [*e g Transmittal of Feasibility Report*]

Phase 2 DURATION

(Milestone 2) [*e g Decision to Proceed to Phase 3*]

Phase 3 DURATION

Description of Phase 3

(Milestone 3) [*e g Evaluation, Analysis of Results*]

(Add as many as necessary)

The final report must be transmitted to the CPMO six months before the termination date for this PA

SECTION VII

MANAGEMENT

1 Project Officers

U S PO

Title/Position

Organization

Address

UK PO

Title/Position

Organization

Address

2 Working Group (WG) Members

[*List the name and organization of each individual assigned to prosecute the PA per Paragraph 4 3 1 6 of the MOU*]

3 Particular Management Procedures

[*Mention only those additional management responsibilities not covered under SECTION IV of the CH MOU*]

SECTION VIII

FINANCIAL ARRANGEMENTS

The Participants estimate that the cost of performance of the work under this PA will not exceed U S $XX and UK £YY

The DOD tasks will not cost more than U S $ _____

The MOD tasks will not cost more than UK £ _____

Cooperative efforts of the Participants over and above the jointly determined tasks detailed in the Scope of Work, Sharing of Tasks, and Financial Arrangements Sections will be subject to amendment to this PA or signature of a new PA

SECTION IX

CLASSIFICATION

[*Only one of the three following possibilities must be selected*]

a No Classified Information will be exchanged under this PA

b The highest level of Classified Information which may be exchanged under this PA is Confidential

c The highest level of Classified Information which may be exchanged under this PA is Secret

PRINCIPAL ORGANIZATIONS INVOLVED

[*List the government laboratories or facilities for both the U S and the UK*]

SECTION X

PROJECT EQUIPMENT

[*OPTIONAL*]

SECTION XI

SPECIAL PROVISIONS

[*Specify any special Intellectual Property rights provisions applicable to the disclosure and use of Background and Foreground Information*]

SECTION XII

AMENDMENT, TERMINATION, ENTRY INTO EFFECT, AND DURATION

This _____PA, a Project under the CH MOU between the Secretary of Defense on behalf of the Department of Defense of the United States of America and the Secretary of State for Defence of the United Kingdom of Great Britain and Northern Ireland, will enter into effect upon date of last signature, and will remain in effect for _____years unless terminated by one or both Participants It may be extended by written consent of both Participants

FOR THE SECRETARY OF DEFENSE ON BEHALF OF THE DEPARTMENT OF DEFENSE OF THE UNITED STATES OF AMERICA	FOR THE SECRETARY OF STATE FOR DEFENCE OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND
_____	_____
Signature	Signature
_____	_____
Name	Name
_____	_____
Title	Title
_____	_____
Date	Date
_____	_____
Location	Location

ANNEX B

CERTIFICATE OF CONDITIONS AND RESPONSIBILITIES FOR COOPERATIVE PROJECT PERSONNEL

I understand and acknowledge that I have been accepted for assignment to (Name and location of organization to which assigned) pursuant to the Memorandum of Understanding between the Secretary of State for Defence of the United Kingdom of Great Britain and Northern Ireland and the Secretary of Defense on behalf of the Department of Defense of the United States of America concerning Cooperation on the Future Development, Interoperability and Support of the CH-47 Chinook Helicopter In connection with this assignment, I further understand, acknowledge, and certify that I will comply with the following conditions and responsibilities

1 The purpose of the assignment is to provide my expertise to the Cooperative Project I understand that I am not authorized to have, or to seek access to Information except as required to perform the duties described in the position description (PD) of the position to which I am assigned, as determined by my designated supervisor

2 I shall perform only functions which are properly assigned to me as described in the PD for my assignment and shall not act in any other capacity on behalf of my government or my Parent Participant

3 All Information to which I may have access during this assignment will be treated as Information provided to my government in confidence and will not be further released or disclosed by me to any other person, firm, organization or government without the prior written authorization of the Host Participant

4 When dealing with individuals outside of my immediate office of assignment on official matters, I will inform such individuals that I am a foreign Cooperative Project Person

5 I have been briefed on, understand, and will comply with all applicable security regulations of the CH Cooperative Project

6 I will immediately report to my designated supervisor all attempts by unauthorized individuals to obtain, without proper authorization, classified, restricted, proprietary or Controlled Unclassified Information to which I may have access as a result of this assignment

7 I have read and understand the provisions of Section XIII (Cooperative Project Personnel) of the CH MOU

_____

(Signature)

_____

(Typed Name)

_____

(Rank/Title)

_____

(Date)